

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURAL (CDFA)  
SHIPPING POINT INSPECTION ADVISORY COMMITTEE MEETING**

**Meeting Minutes  
June 27, 2007  
Fresno, California**

**MEMBERS**

Louis Pandol, Chair  
Steve Biswell  
Melvin Enns  
Monte Griffith  
Blaine Carian  
Dennis Parnagian  
Jim Jasper

**CDFA**

Nate Dechoretz  
Rick Jensen  
Michael Davis  
Vickie Baker  
Ed Page  
Steve Thomas  
Susan Shelton

**INTERESTED PARTIES**

Tony Souza, USDA  
Gary Van Sickle, CTFA  
Marcy Martin, CG&TFL

**ITEM 1: ROLL CALL**

Roll was called and a quorum was established at 10:00 a.m.

**ITEM 2: INTRODUCTIONS – RICK JENSEN**

Committee, CDFA, and visitor introductions were made.

**ITEM 3: APPROVAL OF THE JUNE 23, 2006 MINUTES**

**MOTION:** Mr. Dennis Parnagian moved to approve the minutes as submitted. Mr. Monte Griffith seconded. The motion passed unanimously.

**ITEM 4: CHAIRPERSON NOMINATION/SELECTION**

**MOTION:** Mr. Parnagian moved to nominate Mr. Louis Pandol as Committee Chairman. Mr. Blaine Carian seconded. The motion passed unanimously.

**MOTION:** Mr. Parnagian moved to nominate Mr. Steve Biswell as Committee Vice-Chairman. Mr. Griffith seconded. The motion passed unanimously.

**ITEM 5: USDA UPDATE – TONY SOUZA**

Mr. Tony Souza reported on recent organization changes in USDA's Fresh Products Branch (FPB). FPB also:

- Is in the process of conducting a Sampling Rate Study with CA Tree Fruit Agreement. Study parameters are still under discussion.

- Requested a 15% fee increase. This increase would become effective 30 days after publication (anticipated date of August 2007), and will include an automatic increase of an additional 15% on March 1, 2008.
- Signed a service contract for an automated inspection program. FPB is working on e-authentication, which will enable them to start a pilot program with MN, NJ, and AZ.
- Has been requested to review and approve Food Safety audit checklists to be used by Federal auditors for the Leafy Green and Tomato industries in California.

#### **ITEM 6: CDFA/INSPECTION SERVICES DIVISION UPDATE – NATE DECHORETZ**

Mr. Nate Dechoretz reported on changes that have taken place since the last Shipping Point Inspection (SPI) committee meeting. Deputy Secretary Valerie Brown has announced her retirement, as has John Dyer, Chief Legal Counsel. As a result of strategic planning, the Division of Inspection Services is planning on implementing some organizational restructuring.

#### **ITEM 7: BRANCH/PROGRAM UPDATE**

##### **A. TREE FRUIT/GRAPES – ED PAGE**

Mr. Ed Page reported stone fruit inspection is no longer mandatory. Twenty-five sheds are taking full in-line inspection, and two are participating in CAIP. This represents approximately 25% of the stone fruit industry. Though maturity and quality are generally good in the sheds taking inspection, some corking and discoloration have been found on nectarines and peaches, and wind scar on plums.

Except Red Globes and some late Thompsons, the Coachella and Mexico grape harvest is essentially complete. Quality in Coachella has been good this year, while Mexican grapes have had a few problems with straggly fruit and small berries.

##### **B. TREE NUTS/FEDERAL INSPECTIONS – MICHAEL DAVIS**

Mr. Michael Davis gave the committee an update on tree nuts. The almond industry is reporting limb and trunk breakage due to this year's record setting crop. Beginning in September almond shipment without aflatoxin certificates sent to the European Union will be subject to 100% review. The Almond Objective Measurement Report will be released on Friday, June 29, 2007.

The Pistachio Commission was dissolved in August 2006. The Administrative Committee for Pistachios has taken on most of the commission's roles and responsibilities.

C. FOOD SAFETY – STEVE THOMAS

A very comprehensive audit of the Leafy Green Food Safety Matrix is being established. Currently 99% of the industry has entered into a Marketing Agreement to participate in the food safety audit verification process. The Shipping Point Inspection (SPI) program has been performing informational audits and continues to hire and train employees to complete audits throughout the year. The tomato industry has also requested a similar auditing program.

SPI is beginning the second year of Federal audits for Country of Origin Labeling (COOL) on fish. Next year, it is expected, the COOL audit program will also encompass meat and produce.

D. CASS - JOINT POWERS AUTHORITY (JPA) – STEVE MAUCH

Mr. Steve Mauch announced the official establishment of the Cooperative Agricultural Support Services Authority (CASS). CASS is a joint powers authority formed by CDFA, Yolo County and Trinity County. CASS is currently hiring and employing seasonal staff for the Shipping Point Inspection and Light Brown Apple Moth Programs. As a local public agency, CASS functions under a different set of operating procedures, and significant cost savings can be expected in unemployment and overhead expenses. This will help the Shipping Point Program deliver services in a more cost effective way to the agricultural community.

E. PROGRAM/BRANCH ORGANIZATIONAL UPDATE – RICK JENSEN

Current and proposed organizational charts were given to each committee member. Ms. Baker will be moved to a position directly overseeing the administration of the SPI program. A similar position will be developed to directly oversee the Standardization, Citrus, Certified Farmers' Market, Avocado, and Organic Programs. These managers will report directly to Mr. Rick Jensen.

**ITEM 8: FINANCIAL REPORT – RICK JENSEN**

A. 2007/08 BUDGET PRESENTATION

Mr. Rick Jensen gave the committee a handout reviewing the SPI historical and projected revenue, expense, and cash balances from fiscal year 2003/04 through 2008/09. A Fund Condition for fiscal years 2001/02 through 2006/07 was distributed. Mr. Jensen detailed the significant cost reductions made over the last two to three years, and provided a copy of the detailed 2007/08 proposed budget totaling \$14,382,845.

#### **B. FEE SCHEDULE REVISION**

Mr. Jensen proposed a SPI fee increase of 3.5%. This would apply to all SPI charges. This increase would result in estimated additional revenue of \$350,000 to \$400,000. SPI has a continued obligation to re-establish an Ag Fund reserve.

**MOTION:** Mr. Parnagian moved to support the approval of the 2007/08 budget and fee increase as submitted. Mr. Biswell seconded. The motion passed unanimously.

#### **ITEM 9: NEW BUSINESS**

The committee discussed moving money from the Ag Trust Fund to the Ag Fund. No action was taken.

#### **ITEM 10: NEXT MEETING LOCATION/AGENDA ITEMS**

The next meeting will be determined by necessity, or otherwise the next meeting will be in Fresno, Spring 2008.

#### **ITEM 11: ADJOURNMENT**

The meeting was adjourned at 12:03 p.m.

Respectfully submitted by:

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Rick S. Jensen, Chief  
Inspection and Compliance Branch  
Inspection Services

RJ/ss